



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



50X1

26 AUGUST 1965

~~TOP SECRET~~

DAILY BRIEF
26 AUGUST 1965

1. Vietnam

A high-level North Vietnamese party delegation arrived in Paris yesterday. The delegation is the guest of the French Communist Party

50X1

In Saigon, Prime Minister Ky exuded confidence in himself and his government during an interview with Ambassador Lodge. Ky does not appear to take the possibility of a coup very seriously.

The embassy believes, however, that the government faces internal challenges in the coming weeks which will test the mettle of the generals and their ability to stick together.

Saigon students have now taken up the cry against Ky's recent mobilization decree. So far they have not, as have their Hue counterparts, called for a change of government.

2. Communist China

Peking charges that the crash Tuesday of a US military plane in Hong Kong further reveals the British are letting the US use the colony as a "base for aggression against Vietnam."

In making this charge, the leading Peking-controlled paper in Hong Kong implied that if such use was not halted China might "react."

Significant Chinese action against Hong Kong is unlikely, at least at the present, but Peking evidently intends to keep pressure on the British to restrict activities in Hong Kong which in any way oppose Peking's interests.

50X1

3. Dominican Republic

The prospects are for still further delays in reaching a settlement. The top military leaders are now unanimously opposed to signing the revised "Act of Reconciliation."

The underlying problem seems to be that these officers have lost confidence in Garcia Godoy. They say that he has made commitments to the rebels which are against the interests of the armed forces. There is no firm information, however, that this is the case.

Garcia's next move may be in the form of concessions to the military in an effort to regain their confidence. He has told US officials, for example, that he might be obliged to renege on naming a civilian as minister of the armed forces.

4. Kashmir

Secretary General U Thant is gravely apprehensive about Kashmir.

He says that the small UN observer group there is impotent to deal with the situation under its existing mandate. There is, he feels, a real possibility of a complete breakdown of the 1949 cease-fire agreement.

An examination of the background and possible implications of the struggle in Kashmir is today's Annex.

5. Nationalist China

Madame Chiang Kai-shek is now planning to stay in the US for several months. She will arrive in New York tomorrow to set up temporary headquarters.

Madame Chiang believes the American public does not adequately understand the threat from Peking and the importance of Nationalist China in the anti-Communist struggle. Because of this, she intends to set out on an extensive speaking tour.

Madame Chiang has asked the Chinese Embassy in Washington to arrange for her to meet with the President and to address a joint session of Congress.

6. Colombia

The government is pushing a number of unpopular policies which could bring on strikes and other public disorders in coming weeks.

These measures include a gasoline tax and proposed reform of exchange rates. In addition, students are protesting the lack of funds for several universities. Demonstrations have already begun.

Other disorders may occur if the government tries to break up a Communist-backed rally set for 10 September. Political demonstrations are outlawed under the present state of siege.

7. Greece

Tsirimokos lost important ground today in his drive to win a vote of confidence. Spyros Markenzinis, a minority leader who controls eight crucial votes, came out against the new government.

The vote may come later tonight but it could be postponed until Monday.

8. USSR

50X1

50X1

ANNEX

India and Pakistan

Antagonism between Hindu and Muslim goes back for centuries. Never far below the surface, it erupted into one of the bloodiest communal conflicts in history when India and Pakistan became independent in 1947.

Ever since, a search for security against India has been the strongest motive in Pakistan's foreign policy. Pakistan joined the Southeast Asia and Central Treaty Organizations and accepted US military aid largely for their deterrent affect on India. Pakistan has always viewed US military aid to India as aimed at Pakistan. Feeling then that US support against India was lagging, Pakistan began to turn to the Chinese in order to bring needed pressure on India.

India, larger and stronger, has never felt it necessary to make concessions in order to achieve better relations with Pakistan. Throughout the dark days of the war with China, India did not lower its military guard in the disputed area of Kashmir.

The long-standing Indian-Pakistani feud is going to persist. Indeed, it promises to get worse. Although there have been occasional outbursts in such places as the Rann of Kutch and East Pakistan, Kashmir will continue to be the focus of the dispute. Pakistan tried to seize Kashmir by military force in 1948. The attempt failed. An uneasy peace has been kept since along the cease-fire line by a small group of UN observers. Both sides have been disposed to keep the fighting to a small-scale, sporadic level.

It is this disposition which seems to have broken down in the past week or so. Both sides now appear willing, at a minimum, to use the flareup to redraw the line and to improve tactical military positions. It could go much further than this, however, since both sides have pushed regulars across the line into the territory of the other. Exchanges of gunfire have increased in frequency and duration.

(Cont'd)

ANNEX (Cont'd)

Open warfare is thus a danger, especially since the UN group is no longer the effective restraining influence it once was. As tensions rise, the possibilities of a new communal outburst in India also rise.

One moderating factor remains--the value both New Delhi and Karachi place on US military and economic aid. While either would be willing to forego this aid rather than compromise vital national interests, such aid does give the US some leverage on the policies of both.

TOP SECRET

TOP SECRET